

**UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA**

UNITED STATES OF AMERICA,

Plaintiff,

v.

1. JAMES ROBERT CARLSON,
2. LAVA MARIE HAUGEN,
3. JOSEPH JAMES GELLERMAN, and
4. JAMIE PAUL ANDERSON,

Defendants.

CR 12-305 DSD/LIB  
Case No. \_\_\_\_\_

**INDICTMENT**

(18 U.S.C. § 371)  
(18 U.S.C. § 1957)  
(21 U.S.C. § 331)  
(21 U.S.C. § 333)  
(21 U.S.C. § 813)  
(21 U.S.C. § 832)  
(21 U.S.C. § 841)  
(21 U.S.C. § 846)

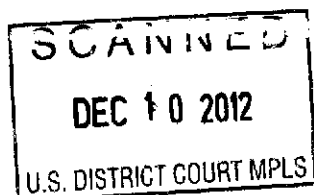
THE UNITED STATES GRAND JURY CHARGES THAT:

**INTRODUCTION**

1. At all times relevant to this Indictment, Defendant CARLSON was the owner and operator of a store called "The Last Place on Earth," located at 120 East Superior Street in Duluth, Minnesota (hereinafter, "LPOE").

2. Defendants HAUGEN, GELLERMAN, and ANDERSON were each employees of CARLSON at LPOE for all or part of the timeframe beginning in or about March 2010 and continuing through in or about September 2012.

3. From in or about March 2010 through in or about September 2012, Defendants sold drugs that were intended for human consumption through LPOE.



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Defendant CARLSON coordinated the sale of the drugs by Defendants, as well as the acquisition of the drugs from suppliers and manufactures of the drugs.

4. At all times relevant to this Indictment, the United States Food and Drug Administration ("FDA") was the agency of the United States responsible for, among other things, enforcing the provisions of the Federal Food, Drug, and Cosmetic Act ("FDCA"), 21 U.S.C. §§ 301 *et seq.* The FDA's primary purpose in enforcing the provisions of the FDCA was to protect the public health. The FDA's responsibilities included regulating the manufacturing, labeling, and distribution of drugs shipped or received in interstate commerce. The responsibilities of the FDA included preventing drugs that were unapproved for marketing or sale, or which were improperly packaged and labeled, from reaching the marketplace.

**COUNT 1**

(Conspiracy to Commit Offenses against the United States)

5. The allegations of paragraphs 1 through 4 of this Indictment are incorporated herein.

6. Beginning in or about March 2010 and continuing through in or about September 2012, in the State and District of Minnesota and elsewhere, the defendants,

**JAMES ROBERT CARLSON,  
LAVA MARIE HAUGEN,  
JOSEPH JAMES GELLERMAN, and  
JAMIE PAUL ANDERSON,**

knowingly and intentionally conspired with each other and with others, known and unknown to the Grand Jury, to commit offenses against the United States. Specifically, with the intent to defraud and mislead, defendants conspired:

- a) to cause the introduction of misbranded drugs into interstate commerce, in violation of Title 21, United States Code, Sections 331(a) and 333(a)(2);
- b) to receive and cause the receipt of misbranded drugs in interstate commerce and to deliver and proffer delivery thereof for pay or otherwise, in violation of Title 21 United States Code, Sections 331(c) and 333(a)(2); and
- c) to do and cause to be done acts with respect to drugs, while such drugs were held for sale after being shipped in interstate commerce, that resulted in such drugs being misbranded, in violation of Title 21, United States Code, Sections 331(k) and 333(a)(2).

**A. Method and Means of the Conspiracy.**

7. Between in or about March 2010 and in or about September 2012, defendants conspired to obtain and sell, through LPOE, products that were subject to regulation by the Federal Food and Drug Administration as “drugs,” as that term is defined by Title 21, United States Code, Section 321(g)(1).

8. Defendants obtained and sold products that they and their suppliers falsely and misleadingly referred to as “incense,” “herbal incense,” “herbal potpourri,” “salts,”

“bath salts,” “exotic skin treatments,” “glass cleaner,” “watch cleaner,” “novelties” and other erroneous names, when in fact such products were drugs intended to affect the structure or function of the human body, or were intended for use as a component of such a drug.

9. Each of said drugs were misbranded in at least one of the following respects:

- a) the drugs’ labeling did not bear adequate directions for use;
- b) the drugs’ labeling was false and misleading in at least one particular, including but not limited to the following:
  - i. the drugs falsely were labeled in a manner indicating that they were not for human consumption, when in fact such drugs were intended for human consumption;
  - ii. the drugs were sold as incense, herbal incense, herbal potpourri, bath salts, exotic skin treatments, glass cleaner, watch cleaner, novelties, and under other false and misleading names when in fact the products were intended for use as drugs for human consumption and to affect the structure or any function of the body of people;
  - iii. the drugs were packaged with labeling which failed to identify accurately the package’s contents and intended use;

- c) the drugs' packaging did not bear a label containing the name and place of the business of the manufacturer, packer, or distributor; and
- d) the drugs' labeling did not include adequate warnings against the drugs' use where such use might be dangerous to one's health, or warnings against unsafe dosages, methods, or durations of administration or application, in such manner and form as were necessary for the protection of users of the drugs.

10. Defendants intended to defraud and mislead government authorities regarding the products' status as drugs, with the purpose of avoiding regulation over the drugs and enabling themselves to continue selling the drugs in exchange for money.

11. It was part of the conspiracy that Defendant CARLSON coordinated the ordering of misbranded drugs from suppliers and manufactures located outside the State of Minnesota for resale through LPOE. By ordering the misbranded drugs from suppliers outside the State of Minnesota, CARLSON and others caused the introduction of misbranded drugs into interstate commerce. Said suppliers and manufacturers shipped the drugs to LPOE using common carriers such as Fed Ex, United Parcel Service, and U.S. Mail, and members of the conspiracy received those shipments. One of said suppliers and manufacturers occasionally arranged for the misbranded drugs to be driven across state lines by an individual for delivery to LPOE.

12. Defendants CARLSON and HAUGEN also repackaged bulk quantities of drugs, received from at least one of the aforementioned suppliers and manufacturers, into

individual bags for sale through LPOE. CARLSON and HAUGEN repackaged the drugs in a manner that resulted in the repackaged drugs being misbranded. Members of the conspiracy held for sale and sold the repackaged, misbranded drugs through LPOE.

13. Members of the conspiracy ordered, obtained, and sold multiple different misbranded drugs, including but not limited to products described as or marketed as the following, and variations of the same: "Ocean Breeze," "California Dreams," "No Name," "Know Name," "Maya Blue" a/k/a "Maya Blue Crystal Skull," "Fear and Loathing I," "Fear and Loathing II," "Oblivion," "LPOE," "Sk8er," "DOA," "Magic Silver," "FTW/BTL," products labeled as manufactured by "Armageddon Incense" and "Armageddon", "Smoking Camel," "Smoking Dragon," "Red Bull," "Kaptain Kush," "Da Bomb," "Eclipse," "Amp," "Pow," "Insurrection," "V," "Binger Clean," "Role-x Watch Cleaner," and "Molly's Tickle Talc."

14. From on or about March 16, 2010 through on or about September 29, 2012, Defendant CARLSON and/or Defendant HAUGEN caused the introduction of at least 190 packages of misbranded drugs into interstate commerce by ordering the misbranded drugs from a suppliers located in California. Members of the conspiracy received all 190 of said packages of misbranded drugs. The California suppliers shipped said packages of misbranded drugs to Duluth, Minnesota from California using United Parcel Service ("UPS").

15. From on or about December 30, 2010 through on or about July 20, 2012, Defendant CARLSON made at least 94 payments totaling \$585,376.50 to said California

suppliers in exchange for misbranded drugs, by using checks signed by CARLSON and drawn on Wells Fargo Account # XXX6579, a bank account held in the name of "LPOE, Inc."

16. From on or about December 20, 2011 through on or about September 28, 2012, Defendant CARLSON caused the introduction of at least 281 packages of misbranded drugs into interstate commerce by ordering the misbranded drugs from a supplier in Arizona. Members of the conspiracy received 280 of the 281 said packages of misbranded drugs. The Arizona supplier shipped said packages of misbranded drugs to Duluth, MN from Arizona using Federal Express ("Fed Ex").

17. From on or about September 23, 2011 through on or about July 19, 2012, Defendant CARLSON made at least 112 payments totaling \$918,195.09 to said Arizona supplier in exchange for misbranded drugs, by using checks signed by CARLSON and drawn on Wells Fargo Account # XXX6579, a bank account held in the name of "LPOE, Inc."

18. From on or about July 19, 2011 through in or about December 2011, Defendant CARLSON and/or Defendant HAUGEN caused the introduction of at least 9 quantities of misbranded drugs into interstate commerce from suppliers and manufacturers who shipped and personally transported said quantities of misbranded drugs from Wisconsin to Duluth, Minnesota. Members of the conspiracy received all 9 of said quantities of misbranded drugs.

19. From on or about June 13, 2011 through on or about May 31, 2012, Defendant CARLSON made at least 33 payments totaling \$282,962.75 to the Wisconsin suppliers and manufacturers in exchange for misbranded drugs, by using checks signed by CARLSON and drawn on Wells Fargo Account XXX6579, a bank account held in the name of "LPOE, Inc."

20. From on or about March 1, 2012 through on or about August 10, 2012, Defendant CARLSON caused the introduction of at least 7 packages of misbranded drugs into interstate commerce by ordering the same from suppliers located in Florida. Members of the conspiracy received all 7 of said packages of misbranded drugs. The suppliers shipped said packages of misbranded drugs to Duluth, Minnesota from Florida via UPS.

21. From on or about December 30, 2011 through on or about August 22, 2012, Defendant CARLSON caused the introduction of at least 23 packages of misbranded drugs into interstate commerce by ordering the same from suppliers located in Pennsylvania. Members of the conspiracy received all 23 of said packages of misbranded drugs. The suppliers shipped said packages of misbranded drugs to Duluth, Minnesota from Pennsylvania via Fed Ex.

22. From on or about January 3, 2012 through on or about May 11, 2012, Defendant CARLSON made at least 16 payments totaling \$119,800.92 to the Pennsylvania supplier in exchange for misbranded drugs, by using checks signed by



CARLSON and drawn on Wells Fargo Account XXX6579, a bank account held in the name of "LPOE, Inc."

**B. Overt Acts**

23. Defendants committed the following overt acts in furtherance of the conspiracy:

- a) On or about August 10, 2011, Defendant ANDERSON delivered and proffered delivery of products referred to as "Maya Blue" and "No Name," each misbranded drugs, to a customer for pay after the products had been received in interstate commerce.
- b) On or about September 9, 2011, Defendant ANDERSON delivered and proffered delivery of products referred to as "No Name," "Fear and Loathing I," and "Oblivion," each misbranded drugs, to a customer for pay after the products had been received in interstate commerce.
- c) On or about September 16, 2011, Defendant HAUGEN repackaged bulk quantities of drugs that had been shipped in interstate commerce into misbranded packages, which were then held for sale.
- d) On or about September 16, 2011, Defendant GELLERMAN delivered and proffered delivery of products referred to as "Maya Blue," "No Name," and "Smoking Camel 7X-Kush," each

misbranded drugs, to a customer for pay, after the products had been received in interstate commerce.

- e) On or about October 25, 2011, Defendant CARLSON delivered and proffered delivery of products referred to as "Smoking Camel" and "Fear and Loathing," each misbranded drugs, to customers for pay, after receiving or causing the receipt of the product in interstate commerce.
- f) On or about September 21, 2012, Defendant GELLERMAN delivered and proffered delivery of products, referred to as "Binger Clean," "Molly's Tickle Talc," and two products generally referred to as "Smoking Dragon," each misbranded drugs, to a customer for pay, after the products had been received in interstate commerce.

24. All in violation of Title 18 United States Code, Section 371 and Title 21, United States Code, Sections 331(a), 331(c), 331(k), 333(a)(2), 352(a), 352(b) and 352(f).

**COUNTS 2 – 10**

(Causing Misbranded Drugs to be Introduced into Interstate Commerce)

25. The allegations of paragraphs 1 through 4, and 7 through 22 are incorporated herein by reference.

26. On or about the dates set forth below, in the State and District of Minnesota and elsewhere, the defendant,

**JAMES ROBERT CARLSON,**

aiding and abetting and being aided and abetted by others, known and unknown to the Grand Jury, with the intent to defraud and mislead, caused the introduction of the following misbranded drugs into interstate commerce, each of said drugs being misbranded in at least one of the respects described in paragraph 9 of this Indictment.

<b>Count</b>	<b>Date</b>	<b>Origin</b>	<b>Destination</b>	<b>Method of Delivery</b>	<b>Product Name(s) of Misbranded Drugs</b>
2	3/22/10	California	Duluth, MN	UPS	"Armageddon 1G"
3	5/23/11	California	Duluth, MN	UPS	"DOA" "California Dreams" "Judgment Day" "Fear and Loathing I" "Fear and Loathing II" "Sk8er" "California Dreams"
4	7/19/11	Wisconsin	Duluth, MN	Personal transport from Wisconsin to Duluth, MN	"No Name"
5	9/22/11	Wisconsin	Duluth, MN	Personal transport from Wisconsin to UPS Store in Rochester, MN; UPS	"No Name"
6	1/23/12	Arizona	Duluth, MN	Fed Ex	"Kaptain Kush" "Smokin Dragon" "Red Bull" "Da Bomb"
7	2/10/12	Florida	Duluth, MN	UPS	"Watch Cleaner-Rolox"

Count	Date	Origin	Destination	Method of Delivery	Product Name(s) of Misbranded Drugs
8	2/16/12	California	Duluth, MN	UPS	"Binger" "DOA" "LPOE" "Maya Blue" "Fear and Loathing" "no name" "DOA 7Gram"
9	2/24/12	Pennsylvania	Duluth, MN	Fed Ex	"Da Bomb" "Kush"
10	6/29/12	Arizona	Duluth, MN	Fed Ex	"Smoking Dragon" "Kaptain Kush"

27. All in violation of Title 21, United States Code, Sections 331(a), 333(a)(2), 352(a), 352(b) and 352(f).

**COUNTS 11 – 16**

(Delivery of Misbranded Drugs Received in Interstate Commerce)

28. The allegations of paragraphs 1 through 4, and 7 through 22 are incorporated herein by reference.

29. On or before the dates set forth below, in the State and District of Minnesota and elsewhere, the Defendants set forth below, aiding and abetting and being aided and abetted by each other and others, known and unknown to the Grand Jury, with the intent to defraud and mislead, received and caused the receipt in interstate commerce of misbranded drugs and caused the delivery, delivered and proffered delivery of such misbranded drugs to a customer or customers for pay, each of said drugs being misbranded in at least one of the respects described in paragraph 9 of this Indictment.

Count	Defendant(s)	Date	Product Name(s) of Misbranded Drugs
11	CARLSON; and ANDERSON	8/10/11	"Maya Blue" "No Name"
12	CARLSON; and ANDERSON	9/9/11	"Fear and Loathing I" "Oblivion" "No Name"
13	CARLSON; and GELLERMAN	9/16/11	"Maya Blue" "No Name" "Smoking Camel"
14	CARLSON; and GELLERMAN	9/21/12	"Molly's Tickle Talc" "Binger Clean" Two versions of "Smoking Dragon"
15	CARLSON; and HAUGEN	9/23/11	"No Name"
16	CARLSON	10/25/11	"Smoking Camel" "Fear and Loathing"

30. All in violation of Title 18, United States Code, Section 2 and Title 21, United States Code, Sections 331(c), 333(a)(2), 352(a), 352(b), and 352(f).

**COUNT 17**

(Doing Acts Resulting in Drugs Being Misbranded While Held for Sale)

31. The allegations of paragraphs 1 through 4, and 7 through 22 are incorporated herein by reference.

32. On or before September 16, 2011, in the State and District of Minnesota and elsewhere, the defendants,

**JAMES ROBERT CARLSON, and  
LAVA MARIE HAUGEN,**

aiding and abetting, and being aided and abetted by each other and others known and unknown to the Grand Jury, with the intent to defraud and mislead, did and caused to be done acts with respect to a drug that resulted in the drug being misbranded in at least one

of the respects described in paragraph 9 of this Indictment, while the drug was held for sale after being shipped in interstate commerce.

33. All in violation of Title 18, United States Code, Section 2 and Title 21, United States Code, Sections 331(k), 333(a)(2), 352(a), 352(b) and 352(f).

**COUNT 18**  
(Distribution of a Controlled Substance)

34. The allegations of paragraphs 1 through 3, 7 through 8, and 13 are incorporated herein by reference.

35. On or about August 10, 2011, in the State and District of Minnesota, the defendant,

**JAMES ROBERT CARLSON,**

aiding and abetting and being aided and abetted by others, known and unknown to the Grand Jury, knowingly and intentionally distributed a mixture or substance containing a detectable amount of 1-Pentyl-3-(1-naphthoyl)indole (JWH-018), a controlled substance, in violation of Title 18, United States Code, Section 2, and Title 21, United States Code, Sections 841(a) and 841(b)(1)(C).

**COUNT 19**  
(Distribution of a Controlled Substance)

36. The allegations of paragraphs 1 through 3, 7 through 8, and 13 are incorporated herein by reference.

37. On or about July 12, 2012, in the State and District of Minnesota, the defendant,

**JAMES ROBERT CARLSON,**

aiding and abetting, and being aided and abetted by others, known and unknown to the Grand Jury, knowingly and intentionally distributed a mixture or substance containing a detectable amount of 1-(5-Fluoropentyl)-3-(1-naphthoyl)indole (AM2201), a controlled substance, in violation of Title 18, United States Code, Section 2, and Title 21, United States Code, Sections 841(a) and 841(b)(1)(C).

**COUNT 20**

(Possession With the Intent to Distribute a Controlled Substance)

38. The allegations of paragraphs 1 through 3, 7 through 8, and 13 are incorporated herein by reference.

39. Between on or about July 9, 2012 and on or about July 25, 2012, in the State and District of Minnesota, the defendant,

**JAMES ROBERT CARLSON,**

aiding and abetting and being aided and abetted by others, known and unknown to the Grand Jury, knowingly and intentionally possessed with the intent to distribute a mixture or substance containing a detectable amount of 1-(5-Fluoropentyl)-3-(1-naphthoyl)indole (AM2201), a controlled substance, in violation of Title 18, United States Code, Section 2 and Title 21, United States Code, Sections 841(a) and 841(b)(1)(C).

**COUNT 21**

(Conspiracy to Distribute Controlled Substance Analogues)

40. The allegations of paragraphs 1 through 3, 7 through 8 and 13 are incorporated herein by reference.

41. Beginning on or about March 1, 2011 and continuing through on or about September 21, 2012, in the State and District of Minnesota and elsewhere, the defendants,

**JAMES ROBERT CARLSON,  
LAVA MARIE HAUGEN,  
JOSEPH JAMES GELLERMAN, and,  
JAMIE PAUL ANDERSON,**

knowingly and intentionally conspired with each other and others, known and unknown to the Grand Jury, to distribute and possess with the intent to distribute:

- a) a mixture or substance containing a detectable amount of 1-(5-Fluoropentyl)-3-(1-naphthoyl)indole (AM2201);
- b) a mixture or substance containing a detectable amount of 1-Pentyl-3-(2,2,3,3-tetramethylcyclopropyl)indole (UR-144); and
- c) a mixture or substance containing a detectable amount of 1-(5-fluoro-pentyl)-3-(2,2,3,3-tetramethylcyclopropoyl)indole(5-fluoro-UR-144; XLR11);

each of which was a controlled substance analogue as defined in 21 U.S.C. § 802(32)(A), knowing that each was intended for human consumption, as provided in Title 21, United States Code, Section 813.

42. All in violation of Title 21, United States Code, Sections 802(32)(A), 813, 841(a), 841(b)(1)(C), and 846.



**COUNTS 22 - 29**

**(Distribution of Controlled Substance Analogues)**

43. The allegations of paragraphs 1 through 3, 7 through 8, 13, and 41 are incorporated herein by reference.

44. On or about the dates set forth below, in the State and District of Minnesota, the defendant,

**JAMES ROBERT CARLSON,**

aiding and abetting and being aided and abetted by others, known and unknown to the Grand Jury, knowingly and intentionally distributed a mixture or substance containing a detectable amount of each compound set forth below, each being a controlled analogue as defined in 21 U.S.C. § 802(32)(A), knowing that each was intended for human consumption, as provided in Title 21, United States Code, Section 813.

<b>Count</b>	<b>Date</b>	<b>Product Name(s)</b>	<b>Controlled Substance Analogue(s)</b>
22	8/10/11	"No Name"	1-(5-Fluoropentyl)-3-(1-naphthoyl)indole (AM2201)
23	9/9/11	"Fear and Loathing I"; "Oblivion"; "No Name"	1-(5-Fluoropentyl)-3-(1-naphthoyl)indole (AM2201)
24	9/16/11	"Maya Blue"; "No Name"; "Smoking Camel"	1-(5-Fluoropentyl)-3-(1-naphthoyl)indole (AM2201)
25	10/25/11	"Smoking Camel"; "Fear and Loathing"	1-(5-Fluoropentyl)-3-(1-naphthoyl)indole (AM2201)
26	4/24/12	"Smoking Dragon"	1-(5-Fluoropentyl)-3-(1-naphthoyl)indole (AM2201)

Count	Date	Product Name(s)	Controlled Substance Analogue(s)
27	6/14/12	"No Name"	1-Pentyl-3-(2,2,3,3-tetramethylcyclopropoyl)indole (UR-144)
28	6/14/12	"Smoking Dragon"	1-(5-Fluoropentyl)-3-(2,2,3,3-tetramethylcyclopropoyl)indole (XLR11)
29	8/9/12	"Smoking Dragon"	1-(5-Fluoropentyl)-3-(2,2,3,3-tetramethylcyclopropoyl)indole (XLR11)

45. All in violation of Title 18 United States Code, Section 2 and Title 21, United States Code, Sections 802(32)(A), 813, 841(a), 841(b)(1)(C).

**COUNTS 30 – 54**

(Monetary Transactions in Property Derived From Specified Unlawful Activity)

46. The allegations of paragraphs 1 through 3, 7 through 8, 13, and 41 through 44 are incorporated herein by reference.

47. On or about the dates set forth below, in the State and District of Minnesota, the defendant,

**JAMES ROBERT CARLSON,**

knowingly engaged and attempted to engage in the following monetary transactions by, through, and to a financial institution, affecting interstate or foreign commerce, in criminally derived property of a value greater than \$10,000; that is the deposit, withdrawal, transfer, and exchange of U.S. currency, funds, or monetary instruments, such property having been derived from a specified unlawful activity, namely violations of Title 21, United States Code, Sections 841 and 846.

48. With respect to Counts 30 through 52 set forth below, Defendant CARLSON signed checks drawn on the bank accounts identified below and deposited said checks into the bank accounts identified below in the "Recipient" column. With respect to Counts 53 and 54 set forth below, Defendant CARLSON signed two checks drawn on the bank accounts identified below and used said checks to purchase two vehicles from the vehicle dealers identified below.

Count	Date	Originating Financial Institution and Account	Recipient	Amount
30	3/09/2011	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$95,000.00
31	5/11/2011	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$150,000.00
32	6/10/2011	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$120,000.00
33	7/11/2011	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$110,000.00
34	8/06/2011	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$115,000.00
35	8/17/2011	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$70,000.00

Count	Date	Originating Financial Institution and Account	Recipient	Amount
36	9/08/2011	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$50,000.00
37	9/13/2011	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$60,000.00
38	10/10/2011	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$120,000.00
39	11/23/2011	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$120,000.00
40	12/09/2011	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$110,000.00
41	2/06/2012	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$200,000.00
42	2/21/2012	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$210,000.00
43	3/02/2012	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$100,000.00
44	3/16/2012	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$170,000.00

Count	Date	Originating Financial Institution and Account	Recipient	Amount
45	4/13/2012	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$200,000.00
46	5/11/2012	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$300,000.00
47	6/05/2012	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	\$200,000.00
48	3/05/2012	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	Wells Fargo Acct. # XXXX0550, in the name of "James R Carlson"	\$80,000.00
49	5/15/2012	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	Wells Fargo Acct. # XXXX0550, in the name of "James R Carlson"	\$65,000.00
50	7/21/2011	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	Superior Savings Bank Account # XX661, in the name of "James R Carlson"	\$400,000.00
51	11/23/2011	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	Superior Savings Bank Account # XX661, in the name of "James R Carlson"	\$300,000.00
52	5/16/2012	Wells Fargo Acct. # XXXX2013, in the name of "JRC Enterprises, Inc."	Superior Savings Bank Account # XX661, in the name of "James R Carlson"	\$500,000.00
53	12/30/2011	Wells Fargo Acct. # XXXX6579, in the name of "LPOE, Inc."	Benna Ford, a Vehicle Dealer, for the purchase of a 2012 Ford F150 Super Crew Truck	\$42,295.00

Count	Date	Originating Financial Institution and Account	Recipient	Amount
54	4/16/12	Wells Fargo Acct. # XXXX0550, in the name of "James R Carlson"	Duluth Dodge, a Vehicle Dealer, for the purchase of a 2012 Jeep Grand Cherokee	\$40,000.00

49. All in violation of Title 18, United States Code, Section 1957.

**FORFEITURE ALLEGATIONS**

50. The allegations of Counts 1 through 54 of the Indictment are incorporated herein by reference.

51. Pursuant to Title 21, United States Code, Section 334 and Title 28, United States Code, Section 2461(c), each and every defendant who is convicted of any of Counts 1 through 17 of this Indictment shall forfeit to the United States any and all misbranded drugs referenced in and related to each count of conviction.

52. Pursuant to Title 21, United State Code, Section 853, each and every defendant who is convicted of any of Counts 18 through 29 of this Indictment shall forfeit to the United States any and all property constituting or derived from any proceeds obtained, directly or indirectly, as a result of such offense, including but not limited to:

- a) Funds in the amount of \$387,487.90 seized on or about July 25, 2012 from Wells Fargo Bank, Acct. # XXXX6579;
- b) Funds in the amount of \$1,343,352.00 seized on or about July 25, 2012 from Wells Fargo Bank, Acct. # XXXX2013;

- c) Funds in the amount of \$64,950.04 seized on or about July 25, 2012 from Wells Fargo Bank, Acct. # XXXX0550;
- d) Funds in the amount of \$1,201,522.47 seized on or about July 25, 2012 from Superior Savings Bank, Acct. # XX661; and
- e) the 2012 Ford F150 Super Crew Truck, with VIN 1FTFW1ET4CFA13918, bearing a Minnesota License plate 108HYJ;
- f) the 2012 Jeep Grand Cherokee, VIN 1C4RJFCT3CC329548, bearing a Minnesota License plate 217JLL.

53. In addition, each and every defendant who is convicted of any of Counts 18 through 29 of this Indictment shall also forfeit to the United States, pursuant to Title 21, United State Code, Section 853, any and all property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, such offense, including but not limited to:

- a) The real property, including the land and any and all buildings and structures located at 120 E. Superior St., Duluth, MN, currently utilized as "The Last Place on Earth" store.

54. Pursuant to Title 18, United States Code, Section 982(a)(1), if convicted of any of Counts 30 through 54 of the Indictment, Defendant CARLSON shall forfeit to the United States any and all property, real or personal, involved in each such offense of

conviction and any and all property traceable to such property, including but not limited to each specific item of property listed in paragraph 52 of this Indictment.

55. If any of the property described in these Forfeiture Allegations is unavailable for forfeiture as provided by Title 21, United States Code, Section 853(p), the United States intends to seek the forfeiture of substitute assets pursuant to Title 21, United States Code, Section 853(p) as incorporated by Title 18, United States Code, Section 982(b)(1).

A TRUE BILL

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UNITED STATES ATTORNEY

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FOREPERSON